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ENGAGING NORTH KOREA: THE ROAD AHEAD

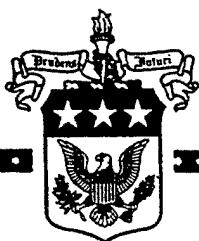
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USAWC STRATEGY RESEARCH PROJECT

ENGAGING NORTH KOREA: THE ROAD AHEAD

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ABSTRACT

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For the past half-century, United States forces have been stationed in Korea as a deterrent to communist expansion and as a symbol of U.S. resolve to defend the Republic of Korea (ROK) against North Korean aggression. Over the past decade, a declining and increasingly isolated North Korea has reached out to the international community, raising the prospect for positive change and peaceful reconciliation between long-standing adversaries. With North Korean belligerence the most obvious reason for maintaining U.S. presence on the peninsula, successful engagement between North and South Korea could have an obvious impact on the US/ROK alliance. Given the significance of this relationship to U.S. security strategy, this study examines ongoing engagement efforts between North Korea and the outside world, reviewing the progress, impact and effects these rapprochement initiatives could have in shaping the future of the Korean peninsula and the stability of Northeast Asia.

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ENGAGING NORTH KOREA: THE ROAD AHEAD

For the past half-century, United States forces have been stationed in Korea as a deterrent to communist expansion and as a symbol of U.S. resolve to defend the Republic of Korea (ROK) against North Korean aggression. Over the past decade, a declining and increasingly isolated North Korea has reached out to the international community, raising the prospect for positive change and peaceful reconciliation between long-standing adversaries. "With North Korean belligerence the most obvious reason for maintaining U.S. presence on the peninsula,"¹ successful engagement between North and South Korea could have an obvious impact on the US/ROK alliance. Given the significance of this relationship to U.S. security strategy, this study examines ongoing engagement efforts between North Korea and the outside world, reviewing the progress, impact and effects these rapprochement initiatives could have in shaping the future of the Korean peninsula and the stability of Northeast Asia.

Following the North Korean invasion of South Korea on June 25, 1950, President Harry Truman dispatched United States forces to the peninsula to defend the ROK against communist invaders and to prevent further communist expansion in the region.² U.S. forces have remained in Korea ever since, postured along with their ROK counterparts to deter North Korean aggression and to defeat it, should deterrence fail. In the fifty years that have followed, this security alliance and the forward presence of U.S. military forces in South Korea have been key elements to the U.S. defense strategy for the Asia-Pacific region.

The U.S. has remained deployed on the peninsula for several reasons. Having sacrificed 50,000 U.S. lives to prevent South Korea's loss to communist expansion, South Korea was a key element of the U.S. containment policy in Asia.³ The loss of the ROK to the communists would have been a disaster, not only to the citizens in South Korea, but also to U.S. security interests in the region. With the Cold War over, deterring North Korean aggression against South Korea or Japan, two of the United States' most important economic and democratic allies, has ensured the continued presence of U.S. forces on the peninsula.⁴

Over the years, as U.S. interests in Asia have increased, so has the importance of this enduring alliance and its role in maintaining stability in the region. With the U.S economy now inextricably linked to Asia's, the continued security of South Korea and Japan are among the U.S. vital interests articulated in the U.S. National Security Strategy.⁵

Although U.S. security strategy in the Pacific includes elements of deterrence, defense and reassurance, preparing for possible large-scale armed conflict in Korea has been the focus

of the ROK/US alliance for the past half-century.⁶ After 48 years under armistice, South and North Korea remain in a technical state of war, with their respective militaries facing off along the most heavily armed border anywhere in the world.⁷

While North Korea's Democratic People's Republic of Korea (DPRK) has in recent years proclaimed its desire for peaceful reconciliation with its southern neighbor, its inconsistent behavior and occasional military demonstrations pose a daily threat to the security of South Korea, and the interests of others in the region. Given North Korea's military capabilities, even the accidental outbreak of hostilities would be greatly damaging to the ROK and the region's security. The US/ROK alliance remains the key to preventing such a possibility, until that possibility no longer exists.⁸

NORTH KOREA: ENGAGING THE WORLD FOR REGIME SURVIVAL

For the half century since its creation, North Korea has played the role of menace on the world stage.⁹ Highly resistant to the lure of the global economy, it has spent the greater part of its history limiting its contact with the rest of the world. With the survival of the autocratic Kim regime at the center of its strategic purpose, North Korea maintains one of the largest and most menacing militaries in the world. With its ability to inflict damage on its neighbors and potential to fuel instability through unrestrained export of long range missiles and weapons of mass destruction, North Korea remains at the forefront of regional security concerns.¹⁰

In the mid-1990s, a series of devastating blows forced North Korea to engage with the rest of the world. Wracked by the 1991 collapse of the Soviet Union, the 1994 death of Chairman Kim Il Sung, and six years of famine and devastating economic decline, North Korea found itself in dire straits, with the future of the regime hanging in the balance. With few alternatives, Chairman Kim Chong Il seized upon the best course available, deliberately moving North Korea toward a policy of engagement, hoping to attract the aid required to stabilize his economy, and preserve his regime. Motivated by economic necessity, North Korea's turn to engagement with its former enemies marked a dramatic departure from its foreign policies of the past.¹¹

ENGAGING PYONGYANG: THE SEARCH FOR STABILITY

Fearing North Korea's worsening economy might eventually cause its collapse, the international community, led by the U.S. and South Korea, responded with humanitarian aid and economic assistance to ease the regime's internal pressures. In return for this assistance, the

U.S. and ROK looked to Pyongyang to open up to the outside world, and to engage in a gradual process of North-South reconciliation and threat reduction.

Over the years, there have been a number of engagement initiatives aimed at easing Pyongyang's woes and encouraging improved relations.¹² From the 1994 U.S.-DPRK Agreed Framework to the 2000 Summit between North and South Korea, these actions represent major steps in the process of coaxing North Korea toward more constructive relations with its neighbors.

WASHINGTON'S APPROACH

For the U.S., one of the early shots at engagement took place shortly after the 1988 Olympics. Taking a cue from ROK President Roh Tae-woo's policy of *Nordpolitik*, the U.S. and North Korea achieved a "modest initiative," with the U.S. increasing exchange and trade with North Korea in recognition of the Pyongyang's move away from terrorism, and moderated behavior toward the South and the U.S.¹³ Though minor in comparison to the initiatives that followed, this first step set the stage for the talks between North and South Korea that eventually led to the landmark 1992 inter-Korean accords.¹⁴

In 1992, U.S. concerns about the DPRK's nuclear program led to diplomatic exchanges between the U.S. and North Korea, culminating in the 1994 US-DPRK Agreed Framework.¹⁵ Cast against a backdrop of troubling revelations concerning North Korea's emerging nuclear capability, the Agreed Framework sought to freeze Pyongyang's plutonium development in return for annual fuel-oil deliveries, two light water nuclear reactors and improved relations with the U.S.¹⁶ This agreement, along with the initiation of Four-Party Talks between the U.S., China and North and South Korea, sought to move Pyongyang to a policy of non-proliferation and increased engagement with the South. In return, North Korea received food aid and fuel deliveries, as well as increased policy attention from Washington.¹⁷

While advocates for the Framework applauded the effort for successfully suspending plutonium production and preventing North Korea from fielding a substantial nuclear arsenal, critics weren't so sure. Pointing to the lack of specificity in verification time-lines, and the omission of other threat reduction measures, many analysts believed the agreement was a too-eager submission to Pyongyang's veiled threats of nuclear blackmail.¹⁸

In the years since the agreement, North Korea's uneven compliance with the framework has not helped dispel this criticism. While still receiving 450 million dollars a year in aid, the Kim regime has failed to disclose the extent of its plutonium stockpiles, blocked storage site

inspections, and ignored South Korean requests for bilateral negotiations for nearly six years, in direct violation of the 1994 Agreement.¹⁹

The most egregious violation to the spirit of the accord was the 1998 discovery of an additional suspected nuclear site at Kumchang-ri.²⁰ This disclosure heightened concerns in Washington that Pyongyang had assembled one or two nuclear devices in the years since the 1994 Agreement.²¹ This combined with North Korea's launch of a long-range Taepo-dong missile over Japan in August 1998 sent shock waves through Washington, Tokyo and Seoul. With the prospect of nuclear or chemically tipped North Korean missiles now able to reach U.S. soil, Washington renewed discussions on national and theater missile defense, and went back to the drawing board on its engagement strategy with Pyongyang.

In the wake of the missile test, then U.S. President Bill Clinton directed a review of U.S. policy toward North Korea. Conducted by former Defense Secretary William Perry, the 1999 Perry Review had three objectives: to solidify Congressional support for the Agreed Framework, to strengthen coordination with South Korea and Japan and to test North Korea's real interest in engagement with a package of incentives tied to reduced tensions.²²

The Perry Review resulted in a frank exchange between Washington and Pyongyang. In an unambiguous declaration the North was unlikely to misunderstand, Washington advised Pyongyang that the fate of future engagement efforts required increased reciprocity and full compliance with mutual agreements. Whether the U.S. remained on a course of constructive engagement or returned to a policy of aggressive deterrence was left to North Korea to decide.²³

In addition to resetting the ground rules for future relations, the Perry Review resulted in a concrete agreement by North Korea to cease long-range missile testing for the time being, in return for a lifting of U.S. trade sanctions. Secretary Perry also prodded Pyongyang back into discussions with South Korea, an agreement Pyongyang had ignored since the signing of the Framework in 1994.²⁴

Finally, citing the often-conflicting nature of independent engagement approaches among the U.S., Japan and South Korea, Dr. Perry also recommended the creation of a Trilateral Coordination and Oversight Group (TCOG) to help synchronize the rapprochement efforts toward North Korea.²⁵ In addition to providing a regular forum to discuss issues and coordinate engagement efforts, the TCOG would provide South Korea and Japan with another opportunity to strengthen their bi-lateral relations, leading to increased diplomatic synergy among the three nations.²⁶

Since assuming office, the Bush Administration has opted for a less accommodating approach, resisting the resumption of negotiations until North Korea becomes a more constructive partner in the process. Doubtful of North Korea's sincerity and impatient for progress, the U.S. has centered its approach to normalization and economic assistance on North Korea's tangible threat reductions and economic reform.²⁷

SOUTH KOREA'S SUNSHINE POLICY

Concurrent to Washington's effort, South Korea also actively sought engagement with its northern neighbor. In 1997, South Korea's newly elected President Kim Dae Jung, a long-time advocate of North-South rapprochement, unveiled his "Sunshine Policy," the most aggressive approach toward normalization in Korean history.²⁸ Assuring the North that South Korea had no intention of contributing to its collapse, Kim promised a more constructive approach to inter-Korean relations, aimed at easing tension and setting conditions for eventual reconciliation. Guaranteeing North Korea's national security, Kim pledged to assist Pyongyang with its economic recovery and to help it in expanding relations with the international community.²⁹

Several years later, President Kim met with Chairman Kim in Pyongyang, in the first ever intra-Korean Summit between the leaders of North and South Korea since the division of the peninsula. The June 2000 meeting provided the two leaders with an unprecedented forum to discuss issues of mutual concern.³⁰ The summit resulted in a Joint Declaration, which affirmed the leaders' preference "to find a Korean solution to the reunification issue,"³¹ pledging greater cooperation, and continued dialogue, including a visit to Seoul by Chairman Kim.³² While progress since has failed to live up to these pronouncements, the fact that the summit took place had tremendous symbolic significance, and seemed to many observers to be a first step towards establishing the conditions for a more stable peninsula.

ROK/US COMPETING PRIORITIES

With the emergence of constructive engagement as the preferred policy approach toward Pyongyang, the U.S. and South Korea ushered in a new era in Korean strategy. For years, both had focused on a "one Korea" policy which assumed the absorption and eventual disappearance of the DPRK, and advocated the reunification of Korean peninsula under ROK auspices.³³ Under this approach, North Korea was viewed as an adversary, with contact extremely limited. With both nations now focused on normalizing relations with their former

adversary, Washington and Seoul signaled their acceptance of a divided peninsula, with two Korean states, at least for the foreseeable future.³⁴

While both nations believe this vision for the peninsula is the most feasible in the near term, they have fundamental differences in their approach to normalization with Pyongyang. While both favor a process free of internal or external disruption, U.S. and South Korean engagement approaches diverge in tone, pace, priority and expectation. While Seoul's strategy focuses on cooperation and reconciliation over time, Washington is fixed on eliminating the threat to South Korea and Japan now. These differences often create friction in the ROK/US relationship, which over the long run could have an adverse effect on the ROK/US alliance. As engagement efforts continue, acknowledging these differences and balancing them against the sensitivities and priorities of one another will be essential to ensure the ROK/US relationship, so important to regional stability, does not deteriorate as a result of the engagement process.³⁵

REGIONAL INTERESTS

Given the geo-strategic importance of the Korean peninsula in Northeast Asia, the outcome of rapprochement efforts are of great interest to the major players in the region. For South Korea, while the ultimate end-state of engagement is a unified, democratic Korea,³⁶ its efforts in the near term are focused on the normalization of relations with Pyongyang. Through increased economic, political and social contacts, Seoul hopes to draw the DPRK out into the international community and in time, into normalized relations with them.³⁷ For South Korea, this process will be long and costly, requiring considerable time, patience and investment. In Seoul's view, "it is highly unrealistic to think the DPRK – and a half a century of confrontation - can be changed overnight."³⁸

For the U.S., the goal is more security-centric, and more time-sensitive. While sharing Seoul's hope that North Korea will be drawn into the international community, Washington wants to reduce and eventually eliminate North Korea as a threat to region and the world.³⁹ While Seoul sees economic integration and social cooperation as the first step toward normalization, Washington sees threat reduction as the precondition to full economic and political engagement. As such, Washington focuses its negotiations on reducing North Korea's missiles, weapons of mass destruction (WMD), and conventional capabilities and looks to North Korea to provide security concessions in return for normalized relations.⁴⁰

For Japan, engagement provides an opportunity for increased security, as the North-South dialogue has greatly reduced the potential for the outbreak of war on the peninsula.⁴¹ Recognizing this, Tokyo has done what it can to support the process, providing significant

financial and political backing for U.S. and South Korean engagement initiatives, and contributing heavily to North Korea's humanitarian crisis and energy projects. While their efforts have done nothing to improve Pyongyang's enmity toward Japan, Tokyo's generosity and willingness to contribute to Pyongyang's stability has strengthened its relations with South Korea, which appreciates Tokyo's support for its Sunshine Policy initiatives.⁴²

China views international engagement efforts with Pyongyang positively.⁴³ Engagement supports Beijing's interests in preserving stability on the peninsula and spreads the burden of shoring up North Korea's failing economy to many nations. By publicly supporting South Korea's Sunshine Policies, China moves closer to South Korea, setting the stage for a Sino-Korean relationship which could challenge the U.S. relationship in the years ahead. As China views its future, a strong relationship with both South and North Korea can only strengthen its position in the larger competition for regional leadership.⁴⁴ China's even-handed support to both Koreas enhances its position as a champion of regional security issues, and may seriously challenge the rationale for U.S. military presence in Korea in the future.⁴⁵

As for Russia, engagement has presented unprecedented opportunities for Moscow's economic expansion in the region and in particular, its involvement in an array of energy and transportation projects with North and South Korea. While interested in sustaining the North as an independent state for as long as this option remains viable, Russia's political and economic ties to the U.S., South Korea, Japan and China will drive its policies toward Pyongyang.⁴⁶

FREE LUNCH FOR REGIME SURVIVAL?

Though highly suspicious of the ulterior motives of these external powers, North Korea has entered into the engagement game as a matter of necessity.⁴⁷ Simply stated, North Korea's economy is in ruin. Years of flooding and staggering agricultural mismanagement have left the country unable to feed its people. As many as two million people have died of starvation in the last eight years.⁴⁸ Acute energy shortages have crippled its industrial base, contributing to the closure of factories, decreased steel production and a steep decline in oil imports.⁴⁹ The defection of numerous high level leaders and the departure of thousands of refugees to China in search of food, fuel and work attest to the desperate situation Pyongyang finds itself in.⁵⁰ With thousands of refugees streaming into China and a casualty count of two million, "an economy and populace under such strain will ultimately succumb to the pressure."⁵¹ As one UN report noted, "Without comprehensive rehabilitation and an aggressive economic development strategy, North Korea's crisis will continue to worsen."⁵²

Unfortunately, North Korea's deeply rooted economic problems are unlikely to be addressed by the present regime. Certain conversion to a market-based economy will undermine his hold over the populace, Chairman Kim is proceeding with only minimal reform.⁵³ Dependent on missile diplomacy to maintain world interest, and military loyalty to retain internal control, he has yet to depart from his fiscal policy of "military first," even though recovery requires it. Further, given his intent to unify the peninsula under communist rule, it is unlikely Chairman Kim could let go of his command-controlled economy without abandoning his vision of Korea's future.⁵⁴

Unwilling to effect reform, North Korea will likely remain on its present course, using provocative diplomacy to draw the world's attention and to obtain foreign aid. In the eight years since its opening to the outside world, Pyongyang's bluster, threaten and compromise diplomacy has yielded an estimated \$1.2B in aid, with 49 states contributing.⁵⁵ Combining rumors of internal instability with acts of belligerence, North Korea has enticed an anxious international community to feed and fuel its people, allowing it to spend its limited capital on military programs and conventional readiness.⁵⁶

ENGAGEMENT GAME OVER?

While this pattern has worked well for North Korea over the past decade, some analysts believe "the game may soon be over."⁵⁷ In the post 9/11 environment, Washington has clearly grown tired of North Korea's aggressive behavior and failure to live up to its agreements. As one senior U.S. official put it, "We had little patience for the North Koreans before 9/11, and have even less now."⁵⁸

In his January 2002 State of the Union address, President Bush confirmed his displeasure with North Korea's behavior and his doubt concerning Pyongyang's commitment to responsible relations in the world community. Referring to North Korea as part of the "axis of evil" along with Iraq and Iran, the President signaled his intent to hold North Korea to a standard of conduct and reciprocity that has thus far been missing. In statements just after this address, U.S. Secretary of State Colin Powell confirmed Washington's door remained open to negotiations, provided North Korea showed good faith in living up to international expectations of cooperation.⁵⁹

With Washington reassessing its engagement strategies, South Korea may not be far behind.. Having expended considerable domestic capital to build support for his cooperative approach to North Korea, President Kim is clearly disappointed in the North's lack of reciprocity. While generally more patient with North Korean intransigence, Seoul is disheartened by

Pyongyang's continued petulance.⁶⁰ The North's ingratitude has not gone unnoticed by the South Korea public, and support for engagement is wearing thin.⁶¹ Given South Korea's preoccupation with its own economic recovery, concerns over the costs of engagement may force a major policy review as part of the upcoming presidential election process.⁶² Without some major movement by North Korea, South Korea's extension of life support to its northern neighbor may be greatly curtailed.

Though China's behavior toward North Korea is unlikely to change, Tokyo will look to Washington for clues on how to proceed. In spite of its considerable investment, Japanese efforts have been largely unacknowledged by Pyongyang. Should Washington or Seoul curtail or disengage from engagement approaches, Tokyo will likely follow suit.⁶³

For the near term, however, the international community appears willing to trade economic benefits and security assurances in return for stability on the peninsula. Over time, should Pyongyang fail to improve its level of reciprocity, it is possible the principal engagement proponents could back away, depriving North Korea of the aid and assistance upon which they now depend. Should this happen, a crisis, completely North Korean's making, could soon emerge, altering the strategic equation on the peninsula for years to come.

ENGAGING PYONGYANG: POTENTIAL OUTCOMES

Having endured a decade beyond the collapse of the Soviet Union, it is possible, if not probable, that North Korea will not last, unless the outside world wills it. Should the international community decide to pull the plug on subsidizing Pyongyang, there are some interesting possibilities on what might emerge. In an article entitled, "Korean Unification: Illusion or Aspiration," author Jonathon Pollack described four outcomes which could flow out of current engagement efforts, each of which has implications for the future of the peninsula.⁶⁴

INCREMENTAL CHANGE: NORTH KOREA MOVES TO A MARKET ECONOMY

In the first path that Pollack describes, engagement advocates succeed in persuading North Korea's leaders to move forward with Chinese-style market reform, in order to save the state as an independent entity. At the center of South Korea's President Kim Sunshine Policies, this approach moves the North toward a compatible economic system, opening the door to easier integration with the South. While highly risky to the régime, it offers a gradual path toward a more modern state, and the best chance for eventual assimilation into the global economy.⁶⁵

For reasons described previously, the odds of North Korea proceeding along this path are not great. Even if Chairman Kim was willing, the prospects for a successful conversion of his single-party, state-owned, ideologically rigid, militarized economy and political system are almost unprecedented, and particularly tough for the deeply entrenched, and thoroughly decayed North Korean state.⁶⁶ Unless and until the leadership sees no alternative, this gradual economically driven approach is unlikely to be the catalyst which effects lasting change in Korea.⁶⁷

VIRTUAL UNIFICATION: NORTH KOREA EASED OUT

The second possible path Pollack describes is virtual unification. In a scenario which some would argue is well underway, South Korea's political influence, economic strength and technological advantage would eventually so dominate the North that Pyongyang would no longer be able to resist the pull of Seoul's influence.⁶⁸ Given South Korea's growing presence as a regional player, and in its expanding relations with other nations, including Russia, China and Japan, this is almost a done deal. Significantly, China, North Korea's closest ideological sponsor, now ranks as one of South Korea's leading trading partners, with Beijing's equities on the peninsula now increasingly focused on Seoul, not Pyongyang.⁶⁹ In addition, Seoul's relationship with Tokyo is also moving forward, with increased economic cooperation leading the way toward improved relations between these historic foes.⁷⁰

To counter South Korea's rising influence, Pyongyang is doing its best to expand relations with all comers in the international community, while resisting South Korean requests for high level exchange and increased contact. Some suggest this was the impetus behind their willingness to accept the terms laid out in 1994 Agreed Framework.⁷¹ In exchange for a "freeze" on its nuclear program, Pyongyang secured much needed economic assistance, and more importantly, established a direct relationship with the U.S. Politically overeager to cut a deal on nuclear nonproliferation, Washington dealt unilaterally with Pyongyang, establishing an unhealthy precedent that Pyongyang still attempts to exploit. To Pyongyang, its nuclear potential provided exactly the kind of U.S. policy recognition it craved, and effectively relegated South Korea to the sidelines for these negotiations.⁷² An unanticipated consequence of this agreement was Pyongyang's refusal to engage South Korea in a diplomatic dialogue for the next six years, an impasse acknowledged in the 1998 Perry Initiatives and finally broken by the Korean 2000 Summit.⁷³

While the Clinton administration engaged Pyongyang with some frequency, the Bush Administration is clearly unwilling to reward Pyongyang for what it perceives as slow rolling on tension reduction.⁷⁴ Without a more constructive approach, North Korea's value to Washington and the outside world will continue to be one-dimensional, centered only on containing its military capabilities. Ultimately, unless North Korea can bring more to the table, the U.S. and others will disengage, leaving South Korea as the only power on the peninsula.

EROSION: NORTH KOREA RIDES IT OUT

In the third possible outcome for the peninsula, Pollack suggests North Korea could survive by skillfully playing a growing list of engagement sponsors off one another. While hardly the best solution for long-term viability, Pyongyang has had remarkable success in obtaining aid from a variety of sources without really making appreciable concessions. Having attracted the world's attention to its misery and instability, North Korea has obtained alternative sources of aid, allowing it to resist the demands of its two primary donors, the U.S. and South Korea. This has emboldened Pyongyang, reinforcing its belief that it is of some political significance in the outside world, and remains the legitimate leader of the Korean peninsula. While it would be easy to dismiss this view as delusional, critics of ongoing engagement strategies with the North assert this thinking underlies all of Pyongyang's negotiating strategies with all outside powers.⁷⁵

COLLAPSE AND ABSORPTION: NORTH KOREA GAME OVER

In the final path, despite engagement efforts, Pollack suggests the regime could succumb to internal collapse or could be forcibly removed by the US/ROK alliance unwilling to excuse a North Korean military provocation. Of the many scenarios, widespread concerns about the implications and aftermath of state failure either through provocative military action or sudden social and political collapse remain the major factor underlying the ongoing engagement efforts with North Korea.⁷⁶ The unplanned collapse or attack by North Korea would be a massive calamity for both North and South Korea, the United States and all others in the region, particularly in light of the possible use of a weapon of mass destruction in the regime's last dying breath. While China, Japan, Russia, South Korea and the United States differ in their preferred outcomes for the region, all hope to prevent such a cataclysmic end, and each is doing its part through engagement to guard against this possibility.⁷⁷

ENGAGEMENT: THE KEY TO NORTH KOREA'S FUTURE

As Pollack demonstrates, engagement could result in several outcomes. North Korea could transform itself into a market economy, or remain a state-controlled, aid-dependent economy in return for military concessions and acceptable behavior. Alternatively, North Korea could lose control of its populace and collapse, or miscalculate and provoke a ROK/US response. Whatever the outcome, it is clear the fate of North Korea and the Korean peninsula rests heavily on the status of engagement strategies which are currently preserving the status quo. As engagement policies go, so goes North Korea, and the ultimately the fate of the peninsula.

THE ARGUMENTS FOR ENGAGEMENT

Over the past decade, engagement efforts have succeeded in moderating Pyongyang's behavior. They have enticed North Korea to curtail its nuclear program, suspend its missile tests, and even pledge its support to the international fight on terrorism. While the military standoff remains, tensions between North and South Korea have eased, and hope persists that lasting change on the peninsula can be achieved.⁷⁸

Engagement advocates believe North Korea's leaders are committed to making the changes required to move forward, but need time and resources to make it happen, while still maintaining control. With so little exposure to the outside world, and no experience with political freedom, North Korean's transition from totalitarianism will be extremely difficult. Even with a nonviolent collapse, the difficulties of salvaging North Korea's ravaged economy, feeding its malnourished populace, restoring its atrophied agricultural and industrial base, and establishing some kind of social order could produce massive instability and economic problems for the region.⁷⁹ Thus, while anxious to effect positive change on the peninsula, engagement proponents favor a patient, cooperative approach, as even tectonic shifts in North/South relations are better than the alternative.

THE ARGUMENTS AGAINST

Engagement critics take an entirely different view, arguing current engagement strategies are actually worsening the stability of the peninsula. By remaining patient, and rewarding North Korea's provocative behavior with encouragement and concessions, critics contend engagement efforts are simply playing into North Korea's hands. Critics to engagement insist North Korea's

dependency has done nothing to change its long-term strategy and contend Pyongyang's concessions thus far have been minimal and are easily reversed.⁸¹

In their view, engagement is providing Chairman Kim with the time and resources required to consolidate power, while continuing to stockpile missiles and WMD munitions nuclear for deterrence and global export. In their view, engagement has demonstrated to North Korea that brinkmanship works and will continue to do so, as long as the international community allows it by continuing to engage without real concessions from Pyongyang.⁸² Those who hold these views believe the time has come for concrete concessions that are in step with the benefits and concessions provided to the Kim regime and the North Korean people.

Having pulled North Korea out into the open, the U.S. and South Korea must now decide on whether to continue to engage North Korea or opt for a less conciliatory approach. After eight years of effort, neither is completely satisfied with the return for their engagement investment. While acknowledging engagement's contribution to stability, both countries would like to see greater progress toward normalization and threat reduction on the peninsula and a higher return on their engagement investment.

ENGAGING PYONGYANG: A NEW APPROACH

Assuming the decision is to remain engaged, the first step to developing a more effective engagement approach is to acknowledge and address the weaknesses which plague the current effort. At present, engagement policies are fragmented, with each nation pressing their own issues and agendas. Even within the U.S., and especially between the U.S. and South Korea, economic, humanitarian, social, diplomatic and security initiatives often appear to be operating on their own, without a comprehensive strategy binding them together.⁸³ These disparate and sometimes contradictory engagement efforts detract from the international community's ability to effectively influence Pyongyang on a consistent basis. As a result, North Korea has been able to obtain economic benefits without making major policy adjustments, running the seams between engagement sponsors who are left to react to North Korean demands vice shaping Pyongyang's behavior.

BUILDING A COALITION

To regain the initiative, the U.S. should consider moving from its largely unilateral and only mildly successful efforts to build a coalition of engagement sponsors, in order to increase the leverage required to move Pyongyang toward real threat reduction and normalization.⁸⁴ With the input and assistance of others already engaged with Pyongyang, the U.S. should draft a

comprehensive campaign plan that specifies the goals for threat reduction and North-South reconciliation, and identifies potential economic, diplomatic and security incentives that will encourage North Korean action. To ensure a unity of effort, the plan should be developed in concert with other participating nations, and should include their concerns and equities, particularly those of South Korea and Japan. The plan should coordinate and synchronize all actions to ensure they are mutually supporting and that the effort can be sustained economically, diplomatically, politically and militarily over the long haul.⁸⁵

While Beijing's resistance to partnering with the U.S. on this or any issue is unlikely to alter its independent policies toward Pyongyang, a degree of Chinese cooperation will be important if international engagement efforts are to succeed.⁸⁶ Given their common interest in preserving peninsula stability, Washington should persuade Beijing to assist international engagement efforts, or at least not to obstruct them.⁸⁷ Should Pyongyang fail to move toward normalization, China could find itself as the lone sponsor underwriting a Pyongyang's troubled economy and increasing isolation. Conversely, should engagement succeed, China could benefit from the effects of increased cooperation and reduced tensions between North Korea and China's major trading partners.⁸⁸

ESTABLISHING THE GOALS

To encourage Pyongyang to move forward with a more aggressive approach toward normalization and threat reduction, the U.S. and its engagement partners should offer North Korea a choice of two options. Similar to the approach recommended by Secretary Perry in his 1999 Review, the engagement coalition should insist that Pyongyang either proceed in good faith with constructive relations or risks economic isolation and military containment by an international community no longer willing to finance Pyongyang's intransigence and equivocation.⁸⁹

ENHANCING DETERRENCE AND DIPLOMACY

To impress Pyongyang with the seriousness of this approach, the U.S. and its partners must take deliberate and visible steps to strengthen their ability to deter North Korean aggression. Along with the long standing US/ROK and US/Japan alliances in the region, the U.S. should convene a multi-lateral defense forum to address the range of peninsula contingencies, including force enhancement additions that will improve regional defensive capabilities should Pyongyang react belligerently to increased pressure to reform.⁹⁰

To persuade North Korea to suspend its bluster, threaten and demand a diplomatic approach, this defense forum should also define the kind of behavior that will not be tolerated, and agree to the military and political response, should North Korea stray outside these norms.⁹¹ Adding weight and consistency to diplomatic efforts, this clarification will go along way to dissuade Pyongyang from its well-developed default to provocative behavior that has so frequently unsettled the international community and derailed engagement proceedings.⁹²

On the diplomatic side, the U.S. should push for a multi-lateral forum comprised of high-level representatives from participating nations, who can develop a comprehensive approach to move North Korea forward, and coordinate engagement activities on behalf of their respective governments.⁹³ Whenever possible, the U.S. should avoid unilateral negotiations with Pyongyang and should support South Korea as the lead negotiator in engaging with Pyongyang. This should help “cure” Pyongyang of its unproductive aversion to dealing with Seoul, while also demonstrating U.S. respect for our long-standing defense partner’s considerable diplomatic abilities.⁹⁴ Parallel activities and diplomacy by the U.S., Japan, Russia or other states on other issues should be vetted within the coalition to ensure they fit within the larger engagement framework.

Chinese participation in this forum should be sought. Even as China and the U.S. compete for predominance in the region, their mutual interest in preserving stability on the Korean peninsula may provide an opportunity for cooperation.

THE OBJECTIVES AND THE INCENTIVES

As in the past, engagement objectives should focus on policies that reduce the risk posed by North Korean military capabilities and increase the opportunities for North-South reconciliation. Initial priority should focus on North Korea’s nuclear missiles and WMD programs, with conventional force reduction discussions to follow. “To the extent the North Korean military threat can not be eliminated, it should be contained.”⁹⁵

As engagement efforts move forward, the U.S. must temper its cap, rollback and eliminate approach to North Korean military capabilities to avoid placing Pyongyang in a position where it is immediately forced to compromise essential components of its security in return for improved relations. As a sovereign nation, North Korea will naturally resist measures that increase its vulnerability to external attack or internal upheaval. In moving North Korean relations ahead, the U.S. and engagement partners should seek a deliberate but graduated approach to threat reduction that seeks first to reduce and then eliminate Pyongyang’s role in missile proliferation

and WMD programs while eventually pressing North Korea for disarmament or conventional force reduction.⁹⁶

To prod Pyongyang ahead, the U.S. and its engagement partners should present a comprehensive package that will address Pyongyang's economic, security, and political concerns that currently reinforce its resistance to change. Much like the international forum that met to devise a plan to fund Afghanistan's recovery from war and years of destruction, a similar effort for North Korea is required. In return for significant security concessions from Pyongyang, the international community should offer a menu of compelling incentives to provide North Korea with real opportunity for recovery and reform. Given the economic capacities of participating nations, the engagement coalition could combine the resources currently underwriting all of the disparate economic and humanitarian aid programs to increase the synergy and effectiveness of their efforts. By tying the receipt of international economic aid and development to a specific set of security concessions that North Korea must make or risk losing that support, the coalition will be far more effective in moving North Korea to more cooperative posture on the peninsula.

Through this all-inclusive coalition engagement effort, the U.S. and its engagement partners could regain the diplomatic initiative and encourage North Korea to make a clear choice regarding its future. Should Pyongyang accept, it would receive the economic benefits, security assurances, political legitimacy and normalized relations it desires while slowly moving forward with reform and threat reduction. Should Pyongyang refuse, it would find itself faced with a policy of gradual economic isolation and increasing military containment that would eventually cause its collapse.⁹⁷

To be effective, economic incentives beyond the most basic humanitarian aid must be tied to North Korea's willingness to proceed with specific threat reduction and normalization measures, and should be phased in and increased as North Korea actually implements those requirements.⁹⁸ Engagement efforts will support eased sanctions, technical assistance, economic development, and North Korea's application into international financial institutions, provided Pyongyang enacts the reforms required to gain entry. Should Pyongyang respond positively, the U.S., Japan, South Korea and members of the European Economic Union could also sponsor the creation of a reconstruction fund with the World Bank.⁹⁹ Given the time estimated to effect real economic reform, humanitarian food and medical aid should continue, with the provision that North Korea improve the food distribution system that currently restricts aid from reaching large portions of the intended recipients.¹⁰⁰

In approaching the more difficult issue of security assurance, the U.S. should propose a multinational commitment to guarantee the security, sovereignty and territorial integrity of North Korea. Following President Kim's lead, the U.S., Japan, South Korea, and China would pledge peaceful coexistence and non-aggression in order to foster a more constructive environment for the emergence a less threatening regime in the North.¹⁰¹

ENGAGING PYONGYANG: THE FUTURE IS NOW

While the effectiveness of a renewed and more deliberate engagement can not be predicted, it is worth the effort, particularly considering the alternatives. If nothing else, it will force North Korea to come clean on whether diplomacy and cooperation will ever have any positive effect on resolving tensions on the peninsula. With Pyongyang's intentions better understood, the U.S., and South Korea, can either continue or discard engagement as an approach, either way moving ahead with a new era of Korean history.¹⁰²

Should North Korea refuse, the U.S. and its engagement partners could consider two alternatives, neither of which is very attractive. The first of these is to live with and deter a nuclear North Korea armed with WMD, with all of its implications for the region.¹⁰³ Through strengthened deterrence, the coalition could contain the North Korean threat, while slowly isolating it from all forms of economic support, forcing its collapse and eventual capitulation. The second option is military preemption, with all of its attendant uncertainties, instability and misery.¹⁰⁴

At the end of the day, should North Korea place its fate in the hands of this multinational engagement approach, the U.S. and its engagement partners should be prepared to move forward with full normalization of relations with North Korea.. With 50 years of bitterness and suspicion, it will take some time to dissolve the hostility and mistrust that exists between Pyongyang and the rest of the world. Given the difficulties implied in transitioning a failed state into some form of modern polity, North Korea's makeover will require sustained support for many years. Approached with cultural sensitivity, due regard to history, and great patience by all concerned, the return on North Korea's half-century turn away from hostility to cooperation will be well worth the effort.

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